

DECLARATION of COLLEEN ANDERSON

I, COLLEEN ANDERSON, do hereby declare:

BACKGROUND/EXPERIENCE

1. I am a Special Agent of the Internal Revenue Service-Criminal Investigations (IRS-CI) assigned to the Medford, Oregon Post of Duty, and have been so employed for 27 years. As a Special Agent, I investigate possible violations of the Internal Revenue Code (Title 26 United States Code), the Money Laundering Control Act (Title 18 United States Code), the Bank Secrecy Act (Title 31 United States Code), and other criminal violations.

PURPOSE OF DECLARATION

2. This declaration is submitted in support of a Complaint *in rem* for Forfeiture of the following 2 properties, hereafter referred to collectively as, the “Subject Properties”:

A. Title for subject property 1 is held in the name North West Land Development Group LLC.

Subject Property 1- Property ID R327419 and R3274192: 1530 Thompson Creek Road Selma, Oregon

Commencing at the Northwest corner of the Northeast Quarter of the Southwest Quarter of Section 21, Township 38 South, Range 7 West of the Willamette Meridian, Josephine County, Oregon; thence South along the West line of said Northeast Quarter of the Southwest Quarter, 270.13 feet, more or less, to the Northeasterly line of Thompson Creek Road; thence Southeasterly along said line, 309.2 feet, more or less, to a point which bears 525 feet South from the North line of said Northeast Quarter of the Southwest Quarter for the true point of beginning; thence East, parallel to the North line of said Northeast Quarter of the Southwest Quarter to the centerline of Thompson Creek; thence Southerly along said centerline to the Northerly right of way line of said Thompson Creek Road; thence Northerly along said right of way line to the true point of beginning. LESS AND EXCEPT all that portion lying Southerly of the following described line; Commencing at the Southeast corner of the Northeast Quarter of the Southwest Quarter of Section 21, Township 38 South, Range 7 West of the Willamette Meridian, Josephine County, Oregon; thence North along the East line of said Northeast Quarter of the Southwest Quarter, 220 feet 8 inches; thence North 65 degrees 13' 00" East to the centerline of Thompson Creek for the true point of beginning of said line; thence South 65 degrees 13' 00" West to the Northeasterly right of way line of Thompson Creek Road for the terminus of said line.

B. Title for subject property 2 is held in the name Heaven on Earth Farms LLC.

Subject Property 2- Property ID R328253 and R3282532: 1100 Panther Gulch Road Williams, Oregon

A parcel of land in the Southeast Quarter of Section 2, Township 39 South, Range 5 West of the Willamette Meridian, Josephine County, Oregon being more particularly described as follows:

Beginning at the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 2; thence along the West line of said Southeast Quarter of the Southeast Quarter, North 30.00 feet to the North right of way line of Panther Gulch Road, which is the true point of beginning; thence along said West line North 1290 feet to the Southeast 1/16 corner; thence West 1320 feet to the center South 1/16 corner; thence North 1320.00 feet to the center Quarter corner; thence East 2640.00 feet to the East Quarter corner; thence along the East line of said Southeast Quarter South 1235 feet, more or less, to a point 1405.00 feet North of the Southeast corner of said Southeast Quarter; thence parallel to the South line of said Southeast Quarter, West 1260.00 feet, more or less, to a point 60.00 feet East of the West line of the East Half of said Southeast Quarter; thence parallel to said West line, South 1375.00 feet to the North right of way line of Panther Gulch Road; thence West 60.00 feet back to the true point of beginning.

3. Based on evidence obtained in this investigation, including witness statements, property records, financial records, text records, and drug evidence seized during the execution of several search warrants on properties related to Jose Orozco, there is probable cause to believe and I do believe the following:

- The Subject Properties were used and intended to be used to facilitate the illegal production and distribution of marijuana, in violation of Title 21, United States Code (U.S.C), Section 841, 846, and 856, and are therefore subject to forfeiture pursuant to Title 21, U.S.C., Section 881(a)(7); and
- The Subject Properties were involved in financial transactions conducted with the intent to conceal and promote the carrying on of illegal marijuana manufacturing in violation of Title 18, United States Code, section 1956, and are therefore subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(A).

4. The facts set forth in this affidavit are based on the following: my own personal knowledge; knowledge obtained from other individuals during my participation in this investigation, including other law enforcement officers; my review of records related to this investigation including interviews of witnesses; communications with others who have

knowledge of the events and circumstances described herein; and information gained through my training and experience. Because this affidavit is submitted for the limited purpose of establishing probable cause for the Complaint, it does not set forth each and every fact that I or others have learned during the course of this investigation.

SUMMARY OF THE INVESTIGATION

5. This declaration will show that Jose Orozco (Orozco) engaged in the illegal manufacturing and possession of marijuana with intent to distribute. Further, this declaration outlines facts that show Orozco, with the assistance of a real estate agent, concealed or disguised the nature, location, source, ownership, or the control of his unlawful proceeds by purchasing, in the names of several Oregon Limited Liability Companies (LLCs), additional properties with the unlawful proceeds. The additional properties, including Subject Properties 1 and 2, were then used to further promote Orozco's illegal manufacturing of marijuana by using the properties as additional illegal marijuana grow sites.

JMET Investigation

6. In June of 2021, Josephine County Sheriff's Office Detective Cody Kephart (Detective Kephart) with the Josephine Marijuana Enforcement Team (JMET) began an investigation into the unlawful manufacturing of marijuana on properties owned or controlled by Orozco. The investigation was initiated after JMET received complaints regarding numerous greenhouses constructed at the residences of 1530 Thompson Creek Road in Selma (Subject Property 1) and 1100 Panther Gulch Road in Williams (Subject Property 2).

7. During the investigation, Detective Kephart determined that Subject Property 1 was purchased in the name of North West Land Development Group LLC, which was owned by Orozco, and observed that it had over 100 greenhouses constructed on the property. Detective

Kephart also determined that Subject Property 2 was purchased in the name of Heaven on Earth Farms LLC, which was also owned by Orozco, and observed from information obtained from the Josephine County Code Enforcement that it had approximately 82 greenhouses constructed on the property. Detective Kephart then contacted the Oregon Medical Marijuana Program (O.M.M.P.), the Oregon Liquor Control Commission (O.L.C.C.) and the Oregon Department of Agriculture (O.D.A.) and discovered that neither Subject Property 1, Subject Property 2, nor Orozco were currently licensed or permitted to grow marijuana or hemp.

8. On June 24, 2021, a search warrant was executed on Subject Property 1 for the unlawful manufacturing, possession, and delivery of marijuana. During the warrant, officers pulled and destroyed 86,528 marijuana plants from 104 greenhouses. A Certificate of Analysis from Kaycha Labs showed that samples pulled from Subject Property 1 far exceeded hemp levels¹, having a Total THC of 15.223%. Pictures of Subject Property 1 are provided below:



¹ Hemp means all non-seed parts and varieties of the Cannabis plant, whether growing or not, that contain an average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry weight basis. (OAR 603-048-0010)

9. On July 1, 2021, a state search warrant was executed on Subject Property 2 for the unlawful manufacturing, possession, and delivery of marijuana. During execution of that warrant, officers pulled and destroyed another 71,996 marijuana plants. A Certificate of Analysis from Kaycha Labs showed samples pulled from Subject Property 2 for analysis also tested above hemp levels, having a Total THC of 0.683%. Pictures of Subject Property 2 are provided below:



Text Messages

10. In August of 2021, a state search warrant was also executed at Orozco's residence, 1555 NE A Street in Grants Pass, Oregon. During the warrant, officers seized one of Orozco's cell phones and later conducted a forensic search of the phone for pertinent communications regarding his illegal marijuana activities. An extensive review of Orozco's phone showed numerous text messages between Orozco and his real estate agent Tyra Foxx (Foxx) with RE/MAX Integrity between May of 2017 and October of 2021 pertaining to the following:

- The creation and use of multiple LLCs for the purchase of numerous properties, including Subject Properties 1-2, in order to hide Orozco's ownership;
- Making large cash payments to property owners outside of escrow to reduce the reported purchase price of the properties and in turn keep Orozco from having to make large cash deposits, which would then require financial institutions to file currency transaction reports (CTRs).
- Attempts to convert large amounts of cash into money orders that were then deposited into escrow, thus evading the filing of CTRs;
- The funneling of large amounts of cash for the purchase of properties, including Subject Properties 1 and 2, through a third-party real estate broker's business account for wiring to escrow, thus evading the filing of CTRs; and
- The creation of paper debt and other "hoops" to protect Orozco's properties from being seized after the execution of the search warrant by law enforcement on Subject Property 1, including discussions about the creation of construction liens, personal loans, leases, and listing papers.

Property Transactions

11. Texts and financial records obtained during the investigation show that between October 2020 and November of 2020, Orozco provided Foxx with \$2,062,050 in cash for the purchase of Subject Properties 1 and 2, a property at 200 Suncrest Drive in O'Brien, Oregon, and a property at 201 Jaynes Drive in Grants Pass, Oregon². Upon receipt of the cash, texts and cash receipt records show Foxx then acted as a courier and brought the large quantities of cash to Krystal Garrison (Garrison), a principal broker at Century 21 in Grants Pass, Oregon. Bank and title company records show Garrison deposited the cash into a client trust bank account and then wired the funds to Ticor Title for the closing of escrow for the following properties:

² The government does not seek to forfeit the Suncrest and Jaynes Drive property, as they are no longer owned by Orozco or his LLCs.

FUNDS TRANSMITTED THROUGH CLIENT TRUST ACCOUNT						
Subject Property #	Date	Cash Deposit Amount	Date Wired	Amount Wired	Property Purchased	Buyer
N/A	10/08/2020	\$ 175,000.00	10/13/2020	\$ 175,000.00	200 Suncrest Drive O'Brien, OR	West Fork Land Development Group LLC
1	10/13/2020	\$ 400,100.00	10/13/2020	\$ 400,000.00	1530 Thompson Creek Rd Selma, OR	North West Land Development Group LLC
2	11/03/2020	\$ 310,400.00	11/10/2020	\$ 1,200,150.00	1100 Panther Gulch Road Williams, OR	Heaven on Earth Farms LLC
	11/04/2020	\$ 339,650.00				
	11/09/2020	\$ 550,100.00				
N/A	11/24/2020	\$ 286,800.00	11/24/2020	\$ 286,800.00	201 Jaynes Drive Grants Pass, OR	Jose Orozco
Total Cash Deposits		\$2,062,050.00				

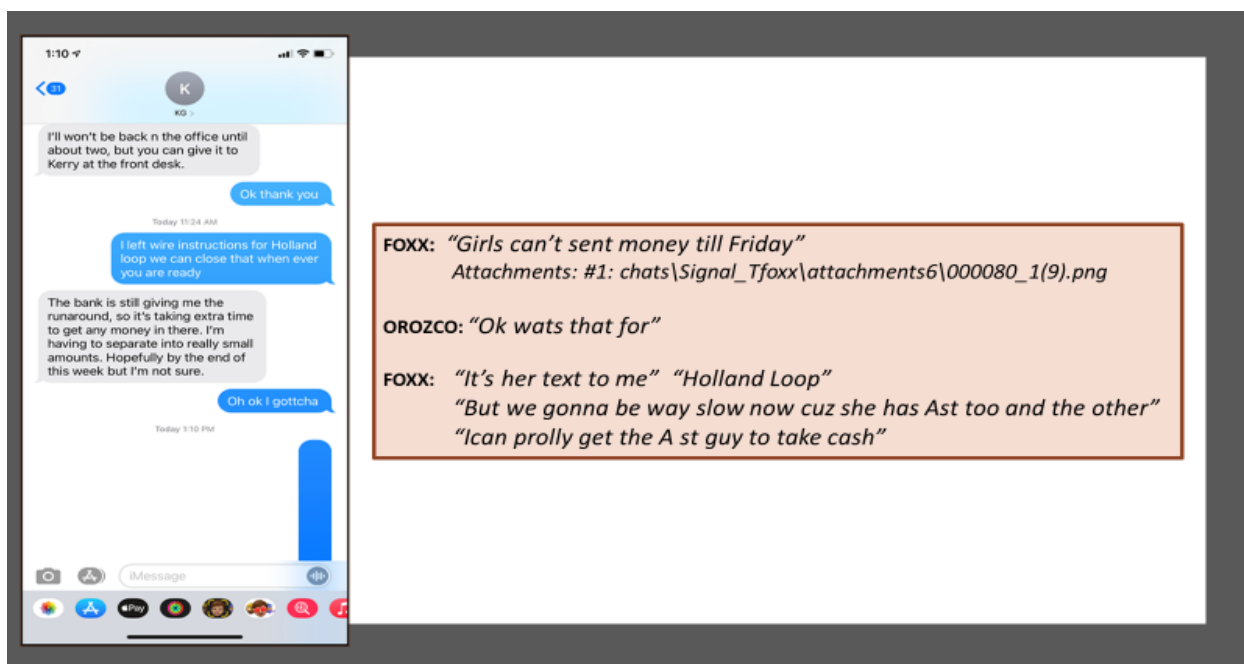
12. Real estate records and text messages show Foxx and Garrison earned commissions and bonuses for the services they provided Orozco. Texts between Orozco and Foxx also show the services Foxx and Garrison provided Orozco were designed to conceal or disguise the nature, location, source, ownership, or the control of Orozco's unlawful proceeds and were structured to evade the filing of CTRs on Orozco's property transactions, as shown below:

Text #1- Garrison is referred to as "She" in this message

Date	Text Statement	Property
Jan-21	<p>FOXX: "She is not sure if she will be able to" "She is waiting to get the flag lifted off her account"</p> <p>OROZCO: "She got flagged from the bank?"</p> <p>FOXX: "Yes but just by a teller the corporate guy is supposed to take it off"... "She said she is she is trying to open another account too lol at northwest credit union"</p> <p>OROZCO: "Danm she's badass"</p> <p>FOXX: "She don't give a fuck"</p> <p>OROZCO: "The money we were going to giver her was 24 k rite"</p> <p>FOXX: "I peeled that girl out a good size Christmas bonus so we don't owe her anything"</p>	A Street Myrtle Creek

Text #2- Garrison is referred to as “her” in this message

Date	Text Statement	Property
Nov-2020	<p>FOXX: “Need to take the money for Jaynes drive to her by Friday”....</p> <p>FOXX: “Lemme know when you can meet up for Jaynes drive” “Do you need a total”</p> <p>OROZCO: “Yes send total” “Wat name u rite that up on”</p> <p>FOXX: “Under yours but I have the llc done for it but the seller had already signed so it’s gonna. Go in the llc after we close” “The Nee deed will get records on Tuesday so it won’t show up as ever being in your. Name unless someone really digs”</p>	201 Jaynes Drive

Text #3- Garrison is referred to as one of the “Girls”, “her”, and “she” in this messageOrozco Statements

13. During the investigation, Orozco and his attorneys agreed to meet with agents/officers to discuss his activities in the illegal manufacturing of marijuana and the laundering of the illegal proceeds. During the meetings on September 6, 2022, and October 06, 2022, Orozco provided the following information:

- After first meeting Foxx in 2017, Foxx would send information to Orozco pertaining to different properties with water rights and acreage for growing marijuana. It was apparent in Orozco's conversations with Foxx that he was growing marijuana and by 2020 she definitely knew it was marijuana;
- Orozco discussed with Foxx his concern that all the property that was going into his name would cause a red flag to law enforcement, so Foxx helped Orozco hide the properties by putting them into the names of various LLCs.
- Orozco gave hundreds of thousands of dollars in cash to Foxx to deposit and wire the funds through the broker Garrison at Century 21 for the purchase of several properties. Foxx told Garrison at Century 21 that Orozco was having issues with cash and that is how the relationship began. Orozco and Foxx used Century 21 because they were trying to avoid banks filing currency reports on the transactions and they gave Garrison her percentage through a contract for running the cash through the Century 21 bank accounts;
- Orozco confirmed that he and Foxx moved the following amounts of cash through Garrison at Century 21 for the purchase of properties and to avoid the filing of bank currency reports:
 - \$175,000 on or about 10/15/2020 for the purchase of 200 Suncrest Drive in O'Brien, Oregon;
 - \$400,000 on or about 10/16/2020 for the purchase of 1530 Thompson Creed Road in Selma, Oregon (Subject Property 1);
 - \$1,200,150 on or about 11/10/2020 for the purchase of 1100 Panther Gulch Road in Williams, Oregon (Subject Property 2); and
 - \$286,800 on or about 11/24/2020 for the purchase of 201 Jaynes Drive in Grants Pass, Oregon.
- When the search warrant on Thompson Creek (Subject Property 1) was executed, Foxx brought up the idea of putting liens on the property to make it harder for law enforcement to take the property. Orozco also believes that when he and Foxx were creating a lease after the raid that Foxx knew Orozco was making up a name to protect the real person leasing the property.
- Because of the 1 acre limits on OLCC marijuana licenses, Orozco exclusively grew marijuana in 2020 and 2021 under ODA hemp licenses so that he could grow more than the 1 acre of marijuana. After helping Orozco purchase the Panther Gulch property (Subject Property 2), Foxx helped Orozco apply for an ODA license knowing that he was hiding his marijuana grow with a Hemp license.

CONCLUSION

14. In summary, the evidence presented in this declaration shows that Jose Orozco purchased the Subject Properties in a manner designed to conceal the true nature, with proceeds traceable to the illegal production and distribution of marijuana, and then used the Subject Properties once they were purchased to continue to facilitate the illegal production and distribution of marijuana. This declaration also outlines facts that show Jose Orozco, with the assistance of his real estate agent, used several LLCs to conceal or disguise the nature, location, source, ownership, and control of his unlawful proceeds.

15. Based on the foregoing, I have probable cause to believe, and I do believe, that the Subject Properties were used to facilitate the illegal manufacture and distribution of marijuana, in violation of Title 21, United States Code, Section 841, 846, and 856, and are therefore subject to forfeiture pursuant to Title 21, United States code, Section 881(a)(7). I also have probable cause to believe, and I do believe, that Orozco, with the assistance of his real estate agent Foxx, concealed or disguised the nature, location, source, ownership, or the control of his unlawful proceeds by purchasing the Subject Properties in the name of Oregon Limited Liability Companies (LLCs). In addition, Orozco purchased the Subject Properties to further promote the illegal manufacturing of marijuana. Therefore, the Subject Properties were purchased in violation of Title 18, United States Code, section 1956, and are therefore subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(A).

16. I have presented this declaration to Assistant United States Attorney John Brassell and Assistant United States Attorney Katie de Villiers who have advised me that in their opinion, the proposed complaint is supported by probable cause.

I declare under penalty of perjury that the foregoing is true and correct pursuant to 28 U.S.C. § 1746.

Executed this 20th day of April 2023.

s/ Colleen Anderson
Colleen Anderson
Special Agent
IRS-CI